GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1697
ANSWERED ON:08.03.2016
PSUs under Ministry
Kumar Shri P.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the details of the total number of Public Sector Units (PSUs) under the Ministry, along with their financial status as to whether loss-making or profit-making, separately, during each of the last two years and the current year;

(b) the action taken by the Government to revive the loss-making PSUs; and

(c) the funds allotted/sanctioned/ released/utilized by them for this purpose, during the said period, year-wise, PSU-wise and the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)
(a) : There are 17 PSUs under the administrative control of the Ministry of Chemicals & Fertilizers. A detail containing profit/loss status of these PSUs is as under:

S. No. Name of PSU Profit/lost status during last two years and in current year
2013-14 2014-15 2015-16 (Prov.)
Department of Fertilizers

1 Brahmaputra Valley Fertilizer corporation Limited (BVFCL) Loss Profit Profit
2 The Fertilizers And Chemicals Travancore Limited (FACT) Loss Loss Loss
3 FCI Aravali Gypsum and Minerals India Limited (FAGMIL) Profit Profit Profit
4 Fertilizer Corporation of India Limited (FCIL) Profit Profit Profit
5 Hindustan Fertilizer Corporation Limited (HFCL) Loss Loss Loss
6 Madras Fertilizers Limited (MFL) Profit Loss Loss
7 National Fertilizers Limited (NFL) Loss Profit Profit
8 Projects & Development India Limited (PDIL) Profit Loss Loss
9 Rashtriya Chemicals & Fertilizers (RCF) Profit Profit Profit
Department of Chemicals & Petrochemicals
10 Hindustan Fluorocarbons Ltd. (HOCL) Loss Loss Loss
11 Hindustan Organic Chemicals Ltd.(HOCL) Loss Loss Loss
12 Hindustan Insecticides Ltd(HIL) Profit Profit Profit
Department of Pharmaceuticals
13 I. Karnataka Antibiotics & Pharmaceuticals Limited (KAPL), Bangalore. Profit Profit Profit
14 I. Rajasthan Drugs & Pharmaceuticals Limited (RDPL), Jaipur. Loss Loss Loss
15 Hindustan Antibiotics Limited (HAL), Pimpri, Pune Loss Loss Loss
16 I. Bengal Chemicals & Pharmaceuticals Limited (BCPL), Kolkata Loss Loss Loss
17 Indian Drugs & Pharmaceuticals Limited (IDPL), Gurgaon Loss Loss Loss

(b): Action taken by the Government to revive the loss-making PSUs:

Fertilizer PSUs

I. The Fertilizers and Chemicals Travancore Limited (FACT):

For the financial restructuring of FACT, a proposal for revival of the company involving waiver of Government of India loans and interest, granting one-time compensation for use of liquefied Natural gas (LNG) and issuance of sovereign guarantee so as to come out of Board for Industrial and Financial Reconstruction (BIFR) has been finalized and under inter-ministerial consultation. The proposal also includes 'In principle' approval for sale / leveraging of land for raising resources to repay the loans raised against sovereign guarantee and to raise funds for implementation of short/medium & long term proposed projects. However, to avert immediate crisis, budgetary provision of Rs. 1000 Crore for providing Plan loan to FACT has been made.

II. Madras Fertilizers Limited (MFL):

MFL started incurring losses in the year 2003-04 and declared Sick in 2009. Though the Company earned operating profit in 2012-13 & 2013-14, however, the net-worth of the Company is still negative. In terms of Department of Public Enterprises guidelines on streamlining the mechanism for revival and restructuring of sick Central Public Sector Enterprises, Department of Fertilizers has asked MFL for engaging an external expert agency which has experience and expertise of the business environment operational issues, technology option and financial viability of the sector in which MFL is functioning to explore the possibility of revival of MFL.

III. Hindustan Fertilizer Corporation Limited (HFCL):

The Company was declared sick by the BIFR in 1992. The Government declared closure of all units namely Barauni, Haldia and Durgapur of HFCL in 2002. To bring the company out from the purview of BIFR a proposal for the financial restructuring of HFCL and to revive Barauni unit through bidding route itself is under inter-ministerial consultations.

Chemicals & Petrochemical PSUs:

HOCL and HFL are sick PSUs and are registered with BIFR as sick companies. The details of which are as under:

I. Hindustan Organic Chemicals Ltd. (HOCL):

(i) In 2001, the Govt. of India provided guarantee for Rs.100 crore for raising resources from the capital market.

(ii) Following rehabilitation package was approved for the company in March, 2006:

(a) Fund infusion of Rs.250 crore (preferential shares)
(b) Non-cash transaction − Continuation of the Govt. guarantee for Rs.100 crore (given in 2001) for 10 years and waiver of interest and penal interest

(iii) In February, 2007, the Govt. approved investment of Rs.20 crore (preference shares) for restarting the Caustic Chlorine plant at Rasayani unit of the company.

(iv) Govt. on 01.08.2013 approved the following revision of terms and conditions of the rehabilitation package of 2006:

(a) Postponement of the redemption of Rs.270 crore preference shares, that was due for redemption from 2011-12 onwards, to 2015-16 onwards
(b) Extension of Govt.guarantee of Rs.100 crore for 5 more years i.e. up to 28.08.2017

(v) In July, 2014, Govt. further gave guarantee for Rs.150 crore for issue of bonds by the company for meeting the working capital requirement, repayment for raw material suppliers, bank loans, employees' dues etc.

(vi) In September, 2015, the Govt. paid annual interest of Rs.10.57 crore on the Rs.100 crore bonds and Rs.14.04 crore on the Rs.150 crore bondsas the company failed to pay both the amounts due to lack of sufficient funds.

II. Hindustan Fluorocarbons Ltd. (HFL):

A rehabilitation package for HFL was approved by BIFR on 03.12.2007 at a total cost of Rs.19.28 crore comprising ofCapital Expenditure (Rs.8.99 crore), One Time Settlement (OTS) of banks & financial institutions (Rs.4.67 crore), VRS payment (Rs.4.00 crore) and Working capital (Rs.1.62 crore).

Further, for revival and growth of HFL, the company is diversifying into making products which can be sold in niche market with more margins as compared to PTFE(Poly Tetra Fluoro Ethylene). Therefore, company is focusing on development of fluorospecialty chemicals, wherein contribution is more as compared to PTFE, and has already developed TFE-ETHER, Telomeres etc. HFL has also developed advanced grades of PTFE i.e. Modified PTFE (MPTFE),which has higher margins than ordinary PTFE.Plan loan of Rs.16.80 crore was provided by the Govt. to HFL in 2014-15 for plant refurbishment schemes & new initiatives and for development of modified PTFE.

Pharmaceutical PSUs

Bengal Chemicals & Pharmaceuticals Limited(BCPL): - Revival Plan is under implementation.
Hindustan Antibiotics Limited(HAL)/Indian Drugs & Pharmaceuticals Limited(IDPL): − Modified Draft Rehabilitation Scheme (Revival Plan) is under active consideration of Government of India.

(c): Department wise reply is as under:

Department of Fertilizers: Fund sanctioned/released to FACT and MFL is as under:
(Rs. in Crores)

Name of Company	2013-14			2014-15			2015-16		
	B.E	R.E	Actual	B.E	R.E	Actual	B.E	R.E	Actual
FACT	211.43	0.01	0.00	42.66	0.01	0.00	34.99	1000.00	0.00
MFL	17.00	0.01	0.00	30.00	0.01	0.00	10.00	0.00	0.00

Department of Chemicals & Petrochemicals: Funds sanctioned / released to HOCL and HFL during the last two years and current

year are given in the following table:
(Rs. in crore)

Sl. No. Name of PSU 2013-14
(Actual) 2014-15
(Actual)
2015-16
(up to 31.12.2015)

Plan Non-Plan Plan Non-Plan Plan Non-Plan
1. HOCL -- -- -- -- -- 24.61
2. HFL -- -- 16.80 -- -- --

Department of Pharmaceuticals:
(Rs. in crores)

Sl. No. 2015-16 2014-15 2013-14
Funds allotted Funds released Funds allotted Funds released Funds allotted Funds released
1 BCPL 0.01 nil 7.00 7.00 9.30 nil
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